RV BUSINESS

JUNE 3, 1991

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JEANNE LONG
ACO EDITOR
CONGRESSIONAL INFORMATION SV
4520 EAST WEST HY 800
BETHESDA MD 20814

RVIA, RVDA Hope to Field-Test National Technician Certification Program by Fall

The first national-scale certification program for RV dealership service technicians could be field-tested by this fall if RVIA and RVDA, the two trade associations spearheading development of the credentialing program, are able to resolve some key issues.

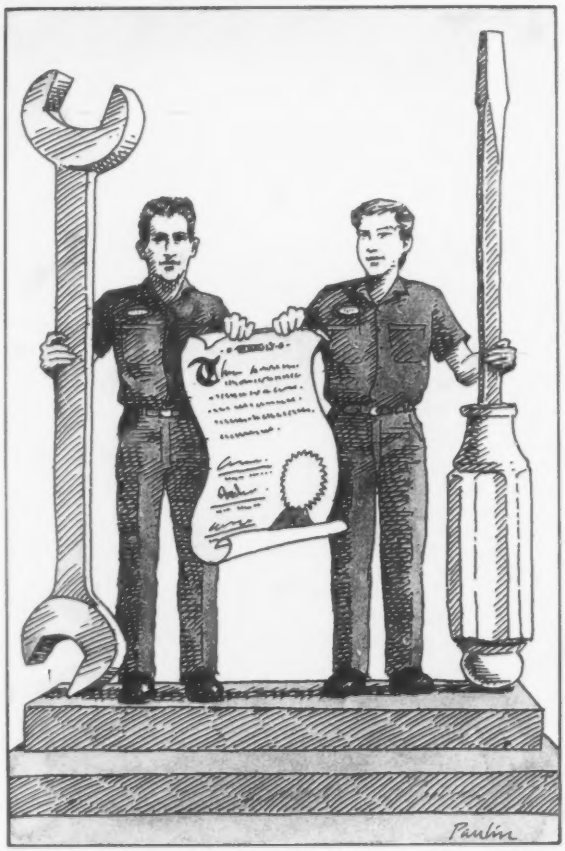
"Based on the plan approved last year, I know we're on track," reported Mike Molino, RVDA assistant executive vice president. "I think any differences that we have can be solved."

"Improved service to the customer is much too important to allow anything to derail technical credentialing," agreed RVIA Vice President of Administration Robert M. "Mac" Bryan.

Certification has become a goal for both organizations in their quest to improve consumer care. They contend that, by testing and certifying service department workers – and then visibly recognizing them for obtaining formal training – RV dealerships can benefit from an additional element of professionalism, just as the National Institute for Automotive Service Excellence has enhanced credibility for auto service departments.

"The progress of technician credentialing is one of the most important aspects of consumer care that the industry can embark on, at least at this time," Bryan said. "It's a program that's endorsed by all elements of the industry, and, in fact, all groups have been contributing to the development of it."

For more than a year now, RVIA, representing suppliers and manufacturers, and RVDA, representing 1,100 U.S. dealerships, have worked together to align their respective certification plans.



RVIA's new National Recreation Vehicle Technical Institute (NRVTI) vocational training program is designed to dovetail with accreditation exams "to ensure that the (certification) candidates are tested to the same standards that we (RVIA) are teaching." In fact,

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Industry Sees Sales Uptick

As the spring of 1991 unfolded, the RV industry was maintaining a cautious "wait-and-see" attitude regarding prospects for the rest of the year. But, although it was still unclear how much the RV sector had rebounded from the setbacks of the Gulf War and the recession, there were plenty of positive signs for the RV industry following its slow start in January and February.

As Play-Mor Trailers Inc. Vice President John Willibrand summed up: "Spring right now looks fair to good. Tax time is over with, and the good weather is just starting to hit. The real test is still ahead of us."

Reacting to a strong uptick in March, most RV makers had put their plants back to work –

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8 Management-Led Group Buys Coleman Firms

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RV BUSINESS

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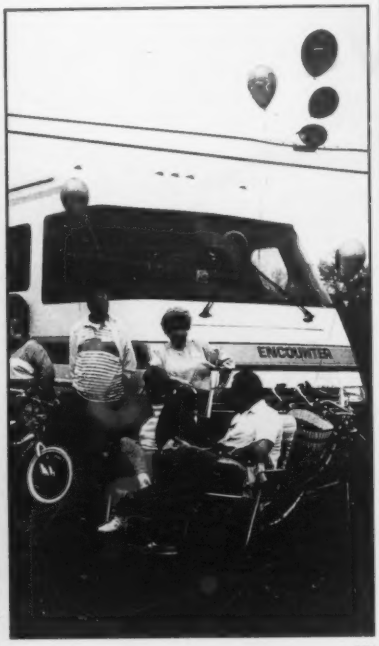

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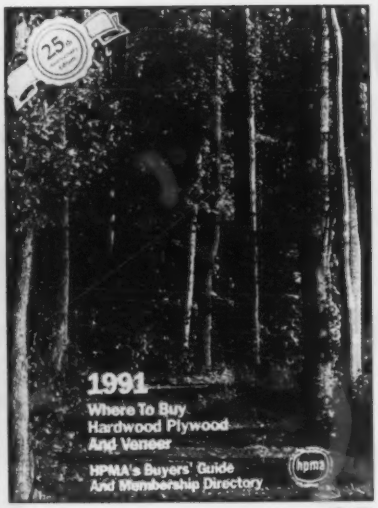

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This new, special section focuses on news about products, companies, people and trends in the portion of the industry specifically devoted to supplying RV OEMs. Look for the OEM Section in the first issue of each month from now on.

Buyer Profile Payoffs ____ 30

Dealers and management consultants stress that developing a detailed profile of local buyers is vital to sales in today's competitive market. And computerization is the key tool in efficiently gathering, tracking and analyzing the necessary customer information.

Covering All the Bases ____ 37

In profiling their buyers, many dealers learn that their customers want services that go beyond the traditional sales lot, parts store and service center. Dealers report on some of these customer-pleasing extras, which can not only build traffic and sales but, if properly managed, create new profit centers.

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DEALERS STRUGGLED IN '91 FIRST QUARTER

GAYLORD MAXWELL

Our Dealer Advisory Board's (DAB) figures for the first quarter of 1991 reflect a struggle at most dealerships, as might be expected. Sales volume for the 22 members of our board was down 22% compared with the first quarter of 1990. Nineteen dealerships were down in dollars taken in – some reporting figures that were less than half of those posted for the same period last year. The dealers sold 18% fewer units overall than they did last year; new units were down 22%, and used units were off 10%.

All five RV types were down in new-unit sales, and only one (folding camping trailers) showed an increase in used-unit sales.

Bottom lines were rated as poor by half of the board members, and most of the rest rated their bottom lines as only fair. Both new and used inventories are reported to be on the high side; lot traffic was rated average to low.

In spite of the grimness of the picture painted by these cold, hard figures, there was another, more positive aspect worthy of note. Considering the two enormous upheavals of the early part of 1991 – the Gulf War and the recession – perhaps we should consider the RV industry fortunate to do as well as it has.

Sales may be down, but there are still buyers out there (approximately three today for every four buyers last year at this time). Profits are way down, but most dealers are hanging on. They've cut expenses, and most are making reasonably good grosses on what they sell. Most dealers also report a relatively thriving service-and-accessory business.

A final point: The fact that our Dealer Advisory Board survived the winter intact is vivid testimony that good, established dealerships are making it in spite of the difficult times. With the war over, troops coming home, gas prices dropping, interest rates declining and the recession's end predicted for sometime this year, there's cause for a reasonable amount of optimism.

Motorhomes

As might be expected in times of increased fuel prices, motorized RVs lost a great deal of their appeal to budget-minded potential buyers in the first three months of 1991. Fourteen of our DAB members were down in new-unit sales, while three were up (each by one or two units). Used sales were approximately the same. Gross profits tended to be on the fair to good side, although two dealers reported gross profits as excellent.

Probably the greatest successes in motorhome sales this year will be scored by dealers who offer innovations in product styles, chassis features (particularly diesels) and marketing methods – along with working hard.

Travel Trailers

Travel trailer dealers apparently didn't feel the pinch quite as hard as motorized dealers during the first quarter. Sales were down, but the decline was only half of that for motorhomes. In fact, our DAB members were about evenly divided between those who were down and those who were up in new-unit sales for the period. Used sales were about the same. Profits tended to be on the good side.

Not shown directly by our DAB sales figures is the fact that a minor revolution is occurring in the trailer business. A revived interest in the production of relatively simple but good quality units at low prices is resulting in increased sales for some dealers. Perhaps that approach to marketing will result in increased interest on the part of first-time buyers this summer.

Truck Campers

Slide-ins fared about the same as motorized in new-unit sales. All three of our major camper dealers were down from last year during the first quarter. Used sales rated only a little better. Grosses, however, were generally good.

There's no reason for believing that anything short of a return to "good times" will affect the sales of this type this summer.

Folding Camping Trailers

The theory that, in "hard times," the least-expensive products are more in demand than those that cost a great deal is disproved by the kind of evidence we have here. New fold-downs were down more than any other RV type in the first quarter.

Individually, our DAB members had mixed results, with five up and eight down in new-unit sales. Somewhat surprisingly, used sales were up. Grosses tended to be on the low side.

There's no reason to believe that there will be any great change in the market for this RV type until the blue-collar worker's situation is more secure.

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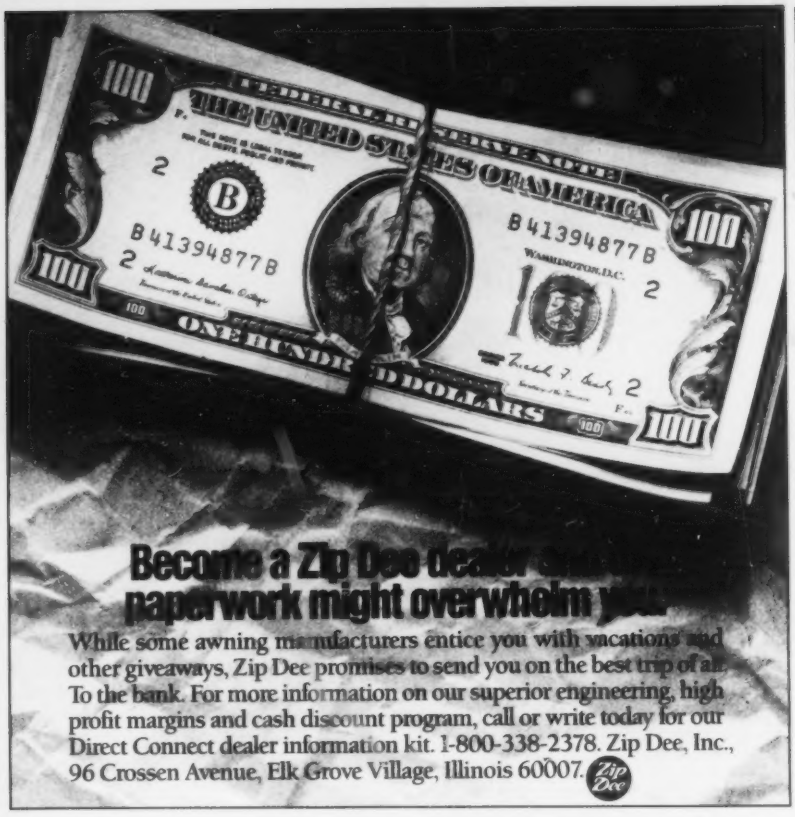
	NEW UNITS			USED UNITS		
	FIRST QUARTER			FIRST QUARTER		
	1991	1990	% CHANGE	1991	1990	% CHANGE
MOTORHOMES	268	387	–31	394	406	–28
TRAVEL TRAILERS	271	319	–15	253	305	–17
TRUCK CAMPERS	40	57	–30	40	48	–20
CAMPING TRAILERS	200	297	–33	51	44	+16
FIFTH-WHEELS	118	133	–11	68	91	–25

	FIRST QUARTER		
	1991	1990	% CHANGE
SALES VOLUME	$32,242,000	$41,366,000	–22
TOTAL UNIT SALES	1,703	2,087	–18
NEW-UNIT SALES	897	1,193	–25
USED-UNIT SALES	806	894	–10

Beginning with this issue, "DAB Perspective" by Gaylord Maxwell will cover data on a quarterly basis.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DAB PERSPECTIVE *from page 20*

Fifth-wheels

Fivers have managed to weather all kinds of adverse conditions in the past, but it appears that even this type is not invulnerable to certain world conditions.

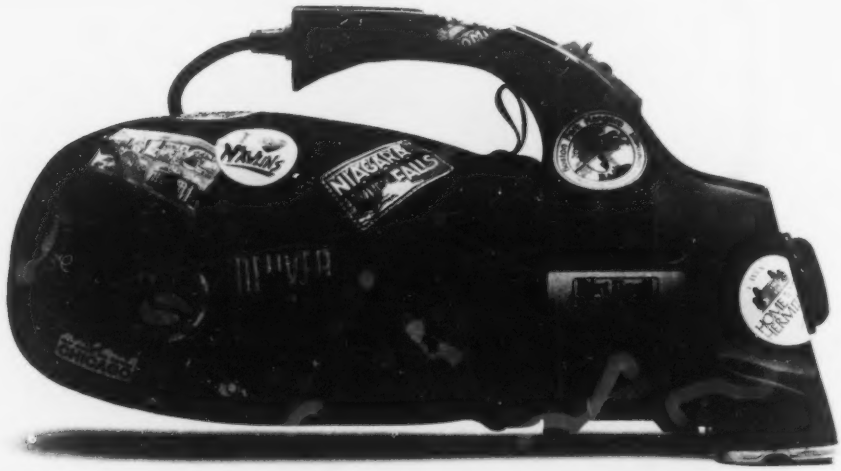
Actually, more of the DAB dealers who stock this type did better than they did last year for the quarter, but a few of the larger dealers were off the mark. Used-unit sales were off even further than new. Grosses tended to be good.

The number of retirees is increasing, as are retirement incomes. In view of the sales history of fifth-wheels in the past few years, it seems reasonable to assume that sales will pick up before the year is over. Δ

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **David McMann,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Robert Jensen,** Layton, Utah; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Miller,** Fayetteville, N.C.; **Steve Moran,** Warwick, R.I.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.



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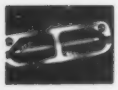

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